

“(2) any such expense which is paid or incurred before the taxable year in which such adoption becomes final shall be taken into account under this section as if such expense were paid or incurred during such year.

“(f) FILING REQUIREMENTS.—

“(1) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.

“(2) TAXPAYER MUST INCLUDE TIN.—

“(A) IN GENERAL.—No credit shall be allowed under this section with respect to any eligible child unless the taxpayer includes (if known) the name, age, and TIN of such child on the return of tax for the taxable year.

“(B) OTHER METHODS.—The Secretary may, in lieu of the information referred to in subparagraph (A), require other information meeting the purposes of subparagraph (A), including identification of an agent assisting with the adoption.

“(g) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

“(h) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsections (a)(3) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

“(1) such dollar amount, multiplied by

“(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2001’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any amount as increased under the preceding sentence is not a multiple of \$10, such amount shall be rounded to the nearest multiple of \$10.

“(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section and section 137, including regulations which treat unmarried individuals who pay or incur qualified adoption expenses with respect to the same child as 1 taxpayer for purposes of applying the dollar amounts in subsections (a)(3) and (b)(1) of this section and in section 137(b)(1).

“(j) APPLICABILITY.—No credit shall be allowed under subsection (a) for any taxable year in which a credit is allowed under subpart C with respect to qualified adoption expenses.”.

(B) CONFORMING AMENDMENTS.—

(i) Section 24(b)(3)(B) is amended by inserting “23,” before “25A(i).”.

(ii) Section 25(e)(1)(C) is amended—

(I) by inserting “23,” before “25D” in clause (i), and

(II) by inserting “23,” before “24” in clause (ii).

(iii) Section 25A(i)(5)(B) is amended by striking “25D” and inserting “23, 25D.”.

(iv) Section 25B(g)(2) is amended by inserting “23,” before “25A(i).”.

(v) Section 26(a)(1) is amended by inserting “23,” before “24”.

(vi) Section 30(c)(2)(B)(ii) is amended by striking “25D” and inserting “23, 25D.”.

(vii) Section 30B(g)(2)(B)(ii) is amended by inserting “23,” before “25D”.

(viii) Section 30D(c)(2)(B)(ii) is amended by striking “sections 25D and” and inserting “sections 23 and 25D”.

(ix) Section 137 is amended by adding at the end the following new subsection:

“(g) TREATMENT OF REFERENCES TO SECTION 36C.—For purposes of this section, in the

case of any taxable year with respect to which no credit is allowable under subpart C with respect to qualified adoption expenses, any reference to section 36C shall be treated as a reference to section 23.”.

(x) Section 904(i) is amended by inserting “23,” before “24”.

(xi) Section 1016(a)(26) is amended by striking “36C(g)” and inserting “23(g), 36C(g).”.

(xii) Section 1400C(d)(2) is amended by inserting “23,” before “24”.

(xiii) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 22 the following new item:

“Sec. 23. Adoption expenses.”.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of the enactment of this Act.

#### SEC. 107. REPEAL OF SUNSET ON EMPLOYER-PROVIDED CHILD CARE CREDIT.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 205 of such Act (relating to allowance of credit for employer expenses for child care assistance).

#### SEC. 108. REPEAL OF SUNSET ON EXPANSION OF EARNED INCOME TAX CREDIT.

(a) REPEAL OF EGTRRA SUNSET.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to subsections (b) through (h) of section 303 of such Act (relating to earned income tax credit).

(b) INCREASE IN CREDIT PERCENTAGE FOR FAMILIES WITH 3 OR MORE CHILDREN.—Paragraph (1) of section 32(b) is amended by striking subparagraphs (B) and (C) and inserting the following new subparagraph:

“(B) INCREASED CREDIT PERCENTAGE FOR FAMILIES WITH 3 OR MORE QUALIFYING CHILDREN.—In the case of an eligible individual with 3 or more qualifying children, the table in subparagraph (A) shall be applied by substituting ‘45’ for ‘40’ in the second column thereof.”.

(c) JOINT RETURNS.—

(1) IN GENERAL.—Subparagraph (B) of section 32(b)(2) is amended by striking “increased by” and all that follows and inserting “increased by \$5,000.”

(2) INFLATION ADJUSTMENTS.—Clause (ii) of section 32(j)(1)(B) is amended—

(A) by striking “\$3,000” and inserting “\$5,000,” and

(B) by striking “calendar year 2007” and inserting “calendar year 2008”.

(d) CONFORMING AMENDMENT.—Section 32(b) is amended by striking paragraph (3).

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

#### TITLE II—PERMANENT EDUCATION TAX RELIEF

#### SEC. 201. REPEAL OF SUNSET ON EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 401 of such Act (relating to modifications to education individual retirement accounts).

#### SEC. 202. REPEAL OF SUNSET ON EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 411 of such Act (relating to extension of exclusion for employer-provided educational assistance).

#### SEC. 203. REPEAL OF SUNSET ON STUDENT LOAN INTEREST DEDUCTION.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to

sunset of provisions of such Act) shall not apply to section 412 of such Act (relating to elimination of 60-month limit and increase in income limitation on student loan interest deduction).

#### SEC. 204. REPEAL OF SUNSET ON EXCLUSION OF CERTAIN SCHOLARSHIPS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 413 of such Act (relating to exclusion of certain amounts received under the National Health Service Corps Scholarship Program and the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program).

#### SEC. 205. REPEAL OF SUNSET ON ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 421 of such Act (relating to additional increase in arbitrage rebate exception for governmental bonds used to finance educational facilities).

#### SEC. 206. REPEAL OF SUNSET ON TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 422 of such Act (relating to treatment of qualified public educational facility bonds as exempt facility bonds).

#### SEC. 207. REPEAL OF SUNSET ON AMERICAN OPPORTUNITY TAX CREDIT.

(a) PERMANENT EXTENSION OF CREDIT.—Section 25A is amended—

(1) by striking “\$1,000” each place it appears in subsection (b)(1) and inserting “\$2,000”,

(2) by striking “50 percent” in subsection (b)(1)(B) and inserting “25 percent”,

(3) by striking “2 TAXABLE YEARS” in the heading of subparagraph (A) of subsection (b)(2) and inserting “4 TAXABLE YEARS”,

(4) by striking “2 prior taxable years” in subsection (b)(2)(A) and inserting “4 prior taxable years”,

(5) by striking “2 YEARS” in the heading of subparagraph (C) of subsection (b)(2) and inserting “4 YEARS”,

(6) by striking “first 2 years” in subsection (b)(2)(C) and inserting “first 4 years”,

(7) by striking “tuition and fees” in subparagraph (A) of subsection (f)(1) and inserting “tuition, fees, and course materials”,

(8) by striking paragraphs (1) and (2) of subsection (d) and inserting the following new paragraphs:

“(1) AMERICAN OPPORTUNITY CREDIT.—The amount which would (but for this paragraph) be taken into account under paragraph (1) of subsection (a) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so taken into account as—

“(A) the excess of—

“(i) the taxpayer’s modified adjusted gross income for such taxable year, over

“(ii) \$80,000 (\$160,000 in the case of a joint return), bears to

“(B) \$10,000 (\$20,000 in the case of a joint return).

“(2) LIFETIME LEARNING CREDIT.—The amount which would (but for this paragraph) be taken into account under paragraph (2) of subsection (a) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so taken into account as—

“(A) the excess of—

“(i) the taxpayer’s modified adjusted gross income for such taxable year, over

“(ii) \$40,000 (\$80,000 in the case of a joint return), bears to